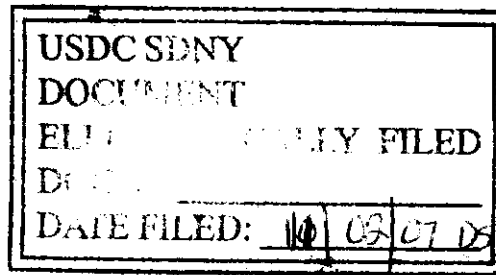


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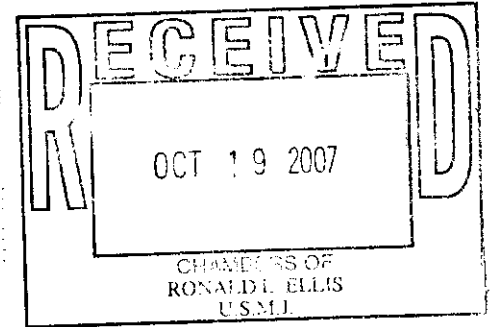
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October 18, 2007

**BY HAND**

Honorable Ronald L. Ellis  
Daniel Patrick Moynihan  
United States Courthouse  
500 Pearl St., Room 1970  
New York, NY 10007



Re: *Grunstein et al. v. Silva et al.*, 07 Civ. 3712 (RMB) (RLE)

Dear Judge Ellis:

We are counsel to defendants in the above captioned action. After consulting with plaintiffs' counsel, Martin Stein and Ron Kaufman, we respectfully submit this letter to you as a follow-up to the telephonic conference with your Honor on October 16, 2007.

As described in the conference, both sides believe an extension of the current discovery cut-off date of November 30, 2007 is appropriate and necessary. Although both sides have already produced significant quantities of documents, the document production process has not been completed. Plaintiffs produced their documents. Defendants have produced some of their documents and expect to complete their initial production by October 30, 2007. Nonetheless, both sides have indicated they believe there are deficiencies in their adversary's document production to date, and counsel will need to discuss those concerns.

Once the parties' initial production is complete, several other issues will very likely need to be addressed by counsel, and possibly your Honor, including (i) whether the parties are standing on any of the objections asserted in their respective Rule 34 responses, and (ii) whether attorney-client privilege issues need to be resolved by the Court. In addition, although counsel hope to agree soon on the terms of a confidentiality order, it is possible that the Court will need to decide unresolved points on that front as well.

It is also clear that a number of depositions remain to be taken. In addition to at least eight depositions that have been noticed and which are, at this point, being deferred while we address document production issues, the parties anticipate taking several additional depositions. Plaintiffs' claims concern an

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Honorable Ronald L. Ellis  
October 18, 2007  
Page 2

alleged partnership formed to acquire a public company for over two billion dollars. In addition to the parties in the case, each side intends to depose third-party attorneys involved in the transaction.

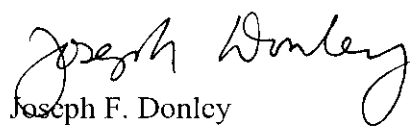
As mentioned in our telephonic conference, Plaintiffs' counsel have scheduling issues due to arbitrations and trials. Mr. Kaufman has an arbitration that resumes October 29 and 31 and December 10 through 21, a 2-3 week trial scheduled for November 5 and four trials set in January of varying lengths between five and 30 days. Mr. Stein has an arbitration for a week at the end of November.

For the foregoing reasons, the parties jointly and respectfully request that the current discovery cut-off date of November 30, 2007 be extended to March 28, 2008.

In addition, due to scheduling conflicts, the parties jointly request that the conference with your Honor currently calendared for November 29, 2007 be moved to any of the following dates convenient for your Honor: December 5, December 6 or December 27, 2007.

Finally, I am confirming Mr. Escher's representation to your Honor that as a result of the testimony of the first witness to be deposed in the case (Brink Dickerson of the law firm of Troutman Sanders, LLP) defendants have withdrawn the application set forth in our letter to your Honor of October 1, 2007 (and opposed by plaintiffs in letters to the Court on October 1, and October 8, 2007), and a ruling from your Honor is therefore not necessary on that issue.

Respectfully yours,

  
Joseph F. Donley

JFD/dj

cc: Joseph Escher, Esq.  
Martin Stein, Esq.  
Ron S. Kaufman, Esq.

*Discovery deadline extended  
to March 28, 2008. Conference  
adjourned to December 6, 2007  
at 11:30 a.m. No further  
extensions on discovery.*

**SO ORDERED**

 11-1-07

**MAGISTRATE JUDGE RONALD L. ELLIS**